

SENDER WILL CHECK CLASSIFICATION TOP AND BOTTOM

UNCLASSIFIED CONFIDENTIAL SECRET

CENTRAL INTELLIGENCE AGENCY  
OFFICIAL ROUTING SLIP

TO	NAME AND ADDRESS	DATE	INITIALS
1	AC/IB	12/16/65	jj
STAT	[redacted] - file		
3			
4	See letter 1964		
5	June 12, 1965		
6	June 12, 1965		
ACTION		DIRECT REPLY	PREPARE REPLY
APPROVAL		DISPATCH	RECOMMENDATION
COMMENT		FILE	RETURN
CONCURRENCE		INFORMATION	SIGNATURE

## Remarks:

I am through with this material now and believe that you should keep this in your policy files with the original approval of the 1% administrative allowance.

P. J.  
Assist. Dir.  
FEDERAL

STAT

## FOLD HERE TO RETURN TO SENDER

FROM: NAME, A.	NO.	DATE
C/ BSD		11/30
UNCLASSIFIED	CONFIDENTIAL	SECRET

FORM NO. 2-61 237 Use previous editions

U. S. GOVERNMENT PRINTING OFFICE : 1961 O-587282

(40)

18 JAN 1968

NOTE TO : C/IB

Attached is the original of the letter approving our planned 1% administrative charge. I believe you should keep this in your policy files since it will have great historical value at a future date.

C/BSD

26 AUG 1964

NOTE TO : C/IB

Since we are coming to the time when we will be collecting money for the administrative allowance, I assume that you will set up a special account so that the allowance can be identified. *for your information* Also, am I correct in understanding, first of all, that this money can only be used for the Association Plan expenses and that we have to be prepared for an audit of expenditures by the Commission so that they can be satisfied that the administrative allowance is being properly disbursed. I remember their questioning Mutual's expenditure and presume that we face the same control. Please let me know.

STAT



C/BSD

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CENTRAL INTELLIGENCE AGENCY  
OFFICIAL ROUTING SLIP

TO	NAME AND ADDRESS	DATE	INITIALS
1	OD/Pers	<i>B. W. J. 68</i>	
2	5E56 Headquarters <i>(Included in weekly rpt)</i>		
3	C/BSD		
4	5E47 Headquarters		
5			
6			
ACTION		DIRECT REPLY	
APPROVAL		DISPATCH	RECOMMENDATION
COMMENT		FILE	RETURN
CONCURRENCE		INFORMATION	SIGNATURE

## Remarks:

Attached is the Commission's response re the new limits and rates of our hospitalization program. We were delighted, of course, that the concept of a GEHA administrative expense allowance has been approved. Not only will it allow us to reduce the Agency expenditure for the insurance program, but it has established a precedent on which we can build and make plans for the future. At some point between now and November, we will have to submit to you for approval a proposal concerning the use of this administrative allowance. Remembering that

(Over)

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FROM: NAME, ADDRESS AND PHONE NO.

DATE

STAT/BSD

5E47 Headquart

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the Commission has a right to approve or disapprove expenditures charged against this allowance, we will have to be ready with the means by which we intend to spend this money.

OFFICE OF THE DIRECTOR

JUN 23 4 49 PM '64

OF PERSONNEL

UNITED STATES CIVIL SERVICE COMMISSION

BUREAU OF RETIREMENT AND INSURANCE

WASHINGTON 25, D.C.

IN REPLY PLEASE REFER TO

RI:IK:ig

YOUR REFERENCE

JUN 12 1964

STAT

President  
Government Employees Health Assn., Inc.  
Post Office Box 463  
Washington 4, D.C.

STAT

Dear [redacted]

This is in reply to your letter to Mr. Ruddock submitting your proposal for change in the Association Benefit Plan for the contract term beginning November 1, 1964.

The benefit changes which you propose appear generally acceptable. We are now reviewing your proposals for rate change and if we have a counterproposal to make, we will be in touch with you. If your most recent experience shows that a change in your proposal regarding rates is necessary, you are free to make one prior to July 1, 1964.

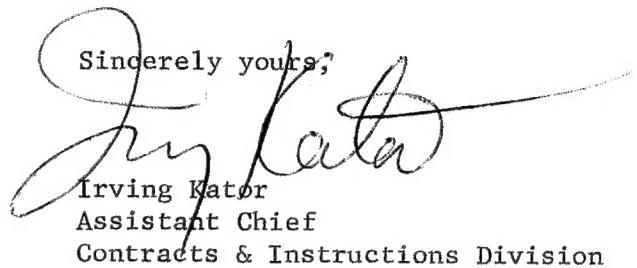
We have no objection to including in the contract an allowance for administrative expenses of the organization for administering the Association Benefit Plan. Similarly, we would have no objection to an increase in the underwriter's administrative allowance if required to meet necessary expenses. However, in view of the increased premium and contingency payments which the Plan will be receiving, you may find the current percentage allowance for the underwriter sufficient to meet his needs for the next contract term. We will want to discuss these items with you before giving final approval to them.

In accordance with Paragraph 12 of Public Law 88-284, the Commission has transferred to the contingency reserve of your Plan the amount of \$38,852.33. This transfer has been made from the administrative reserves held by the Commission and represents your Plan's proportionate share of that reserve as of October 31, 1963. Payment from the contingency reserve to your Plan will be made in accordance with Section 890.503(c)(2) of the health benefits regulations. We estimate approximately \$105,000 would probably be available for payment in March 1965 from the contingency reserve.

- 2 -

In connection with brochure revisions, it would be helpful to us if your underwriter would prepare a first draft incorporating your preference as to format.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Irving Kator".

Irving Kator  
Assistant Chief  
Contracts & Instructions Division

IN REPLY PLEASE REFER TO

UNITED STATES CIVIL SERVICE COMMISSION

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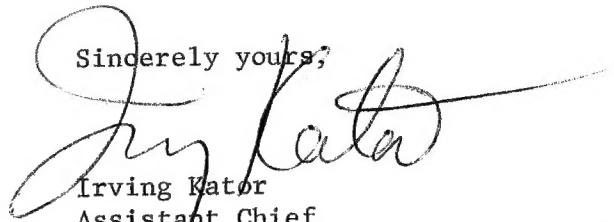
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